

**Subpart C—Advances to Out-of-District Members and Housing Associates**

**§ 950.25 Advances to out-of-district members and housing associates.**

(a) *Establishment of creditor/debtor relationship.* Any Bank may become a creditor to a member or housing associate of another Bank through the purchase of an outstanding advance, or a participation interest therein, from the other Bank, or through an arrangement with the other Bank that provides for the establishment of such a creditor/debtor relationship at the time an advance is made.

(b) *Applicability of advances requirements.* Any debtor/creditor relationship established pursuant to paragraph (a) of this section shall be subject to all of the provisions of this part that would apply to an advance made by a Bank to its own members or housing associates.

[65 FR 43981, July 17, 2000; 65 FR 46049, July 26, 2000]

**PART 951—AFFORDABLE HOUSING PROGRAM**

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AUTHORITY: 12 U.S.C. 1430(j).

SOURCE: 62 FR 41828, Aug. 4, 1997, unless otherwise noted. Redesignated at 65 FR 8256, Feb. 18, 2000.

EDITORIAL NOTE: Nomenclature changes appear at 66 FR 50301, Oct. 3, 2001.

**§ 951.1 Definitions.**

As used in this part:

*Advance* means a loan to a member from a Bank that is:

(1) Provided pursuant to a written agreement; (2) Supported by a note or other written evidence of the member's obligation; and

(3) Fully secured by collateral in accordance with the Act and part 950 of this chapter.

*Affordable* means that the rent charged for a unit which is to be reserved for occupancy by a household with an income at or below 80 percent of the median income for the area, does not exceed 30 percent of the income of a household of the maximum income and size expected, under the commitment made in the AHP application, to occupy the unit (assuming occupancy of 1.5 persons per bedroom or 1.0 person per unit without a separate bedroom).

*AHP or Program* means the Affordable Housing Program established pursuant to 12 U.S.C. 1430(j) and this part.

*CIP* means a Bank's Community Investment Program established under section 10(i) of the Act (12 U.S.C. 1430(i)).

*Cost of funds* means, for purposes of a subsidized advance, the estimated cost of issuing Bank System consolidated obligations with maturities comparable to that of the subsidized advance.

*Direct subsidy* means an AHP subsidy in the form of a direct cash payment, but does not include homeownership set-aside funds.

*Family member* means any individual related to a person by blood, marriage or adoption.

*Habitable* means suitable for occupancy, taking into account local health, safety, and building codes.

*Homeless household* means a household made up of one or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who:

(1) Lack a fixed, regular, and adequate nighttime residence; or

(2) Have a primary nighttime residence that is:

(i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate